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Syria

Tree Nuts

Annual Report

2007

Approved by:

Peter Kurz
U.S. Embassy Cairo

Prepared by:

Chris Rittgers and Jaber Dalati

Report Highlights:

Pistachio production is increasing in Syria. The 2006 crop is estimated at 65,000 tons. The 2007 crop is expected to be a big crop, but not sufficient for the local demand and exports of green pistachios. Syrian pistachio production is forecast to continue gradually increasing as pistachio trees mature.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Damascus [SY1]
[SY]

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Executive Summary

Pistachio production is increasing in Syria due to the maturing of planted trees that are still fairly young. Above average temperatures that prevailed in late July 2007 may have a negative impact on the crop size, but the exact effect is not yet evident. Prices for locally produced green pistachios went down in 2006 due to the good crop; however, prices for shelled pistachios are still high. Arabic sweets prices have maintained high levels. Syria exports green pistachios during the production season and imports shelled pistachios.

Production

Syria Pistachios, Inshell Basis (HA)(1000Trees)(MT)						
	2006	Revised	2007	Estimate	2008	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		08/2006		08/2007		08/2008
Area Planted	59000	57000		57000	0	57000
Area Harvested	53000	53000		54000	0	55000
Bearing Trees	7500	6500		7000	0	7500
Non-Bearing Trees	2500	3100		2600	0	2100
Total Trees	10000	9600		9600	0	9600
Beginning Stocks	9184	1784		6784	0	14784
Production	65000	65000		70000	0	80000
Imports	5000	5000		5000	0	5000
TOTAL SUPPLY	79184	71784		81784	0	99784
Exports	20000	20000		20000	0	30000
Domestic Consumption	45000	45000		47000	0	50000
Ending Stocks	14184	6784		14784	0	19784
TOTAL DISTRIBUTION	79184	71784		81784	0	99784

Pistachios are grown in Syria under rainfed conditions. There is a total of 9.6 million trees planted on 57,000 hectares. In 2007, the number of fruit-bearing trees is estimated at about 7.0 million, and the crop is forecast at 70,000 tons. No major incidence of pests or diseases was reported in 2007. Rainfall in May 2007 helped increase the crop size; however, above average temperature in late July 2007 had an opposite effect. Pesticides are rarely used in pistachio orchards. The use of commercial fertilizer is not common and growth regulators are not used. Organic matter is generally used at planting time.

Pistachios are grown in areas unsuitable for most other crops and are, in many places, co-planted with figs, olives, and grape vines. The majority of the trees in Syria are still young and have not reached the economic fruit-bearing stage. The average yield per tree increases with the age of the tree. The Ministry of Agriculture and Agrarian Reform encourages pistachio production by selling seedlings at nominal prices. Olive tree planting competes with pistachios in newly reclaimed areas. With the increase in demand for olives and olive oil, farmers prefer to plant newly reclaimed land to olives instead of pistachios because olives are more profitable to grow. Accordingly, planted areas are not increasing, as was the case for many years. During the production season in 2006, farm-gate prices were about 70 SP (USD 1.40) per kilogram of green pistachios. Prices 2007 are close to those of 2006.

Consumption

A significant part of the pistachio crop is consumed green in Syria. The harvesting season begins in August. Wholesale prices of locally produced shelled pistachios that are mainly used for the production of sweets and local ice cream have ranged from approximately 650 SP (USD 13) to 750 SP (USD 15) per kilogram for shelled pistachios of the first grade varieties. No U.S. pistachios are currently present in the Syrian market. Prices of Arabic sweets that are made from pistachios have maintained their high level and are even moving up.

Trade

Export Trade Matrix Syria Pistachios, Inshell Basis			
Time period:	CY	Units	Metric Tons
Exports for	2006		2007
U.S.	0	U.S.	0
Others		Others	
Lebanon	6000	Lebanon	6000
Jordan	5000	Jordan	5000
Total for Others	11000		11000
Others not Listed	9000		9000
Grand Total	20000		20000

Import Trade Matrix Syria Pistachios, Inshell Basis			
Time period:	CY	Units	Metric Tons
Imports for	2006		2007
U.S.	0	U.S.	0
Others		Others	
Iran	4000	Iran	4000
Turkey	1000	Turkey	1000
Total for Others	5000		5000
Others not Listed			
Grand Total	5000		5000

Foreign trade statistics indicate a decrease in "legal" imports of shelled pistachios from 2,078 MT in 2004 to 1,938 MT in 2005, of which 75 percent came from Iran. Trade data for 2006 are not yet published. In-shell pistachios cannot be officially imported. Pistachios, shelled and in-shell, are being smuggled into Syria via Lebanon from Iran and Turkey. Afghani pistachios are not currently available in the Syrian market. Syria imported a small quantity

of 41 tons of shelled pistachios from Afghanistan and 20 tons of U.S. shelled pistachios in 2005. All roasted non-local, in-shell pistachios sold in Syria are unofficially imported through Lebanon and Turkey or brought by Iranian tourists. An import license is necessary for all imports of pistachios. According to the new customs tariff implemented in late 2006, customs duties on shelled pistachios are set at 10 percent if they are imported in packages over 25 kilograms in weight and 30 percent if they are imported in packages less than 25 kilograms in weight.

Syrian official exports of green pistachios decreased from 1,250 MT in 2004 to a few hundred tons (130 MT inshell and 109 MT shelled pistachios) in 2005. Primary markets were Lebanon and other Arab countries. Visiting tourists from Arab countries informally export large quantities of pistachios out of Syria during 3-4 months after the beginning of the harvest season every year. With high wholesale prices for local production of shelled pistachios (about 650 SP or USD 13/kilogram), Syria cannot compete in the international market with Iran, Turkey, Afghanistan, and the United States.

Stocks

According to trade sources, the local supply of pistachios, plus imports (legal and illegal), usually match domestic consumption. Ending stocks are usually expected to be sufficient for a few months. Stocks are expected to rise in the future when local production increases. At the end of the marketing season in July 2007, the prices for locally-produced shelled pistachios are similar to those from Iran and Turkey. All stocks are held generally by the traders, not the producers.

Policy

The government continues to encourage pistachio production by selling seedlings at nominal prices. There is government intervention in some areas of pistachio trade, such as banning the imports of in-shell pistachios; but prices are determined by supply and demand conditions.

Marketing

There are no Syrian standards for pistachios. Sizing, shelling, and grading are all done by hand. Private sector storage facilities are adequate. There are limited efforts to mechanize the shelling process. The entire pistachio trade is in the hands of the private sector.

Trade sources state that Iranian and Turkish pistachios are more suitable than American pistachios for the local Arabic sweets industry. American pistachios reportedly turn brownish in color during baking as a result of the way they are preserved. The local market preference is for a whole nut, greenish or yellowish in color, that retains its color during high-temperature baking for Arabic sweets.